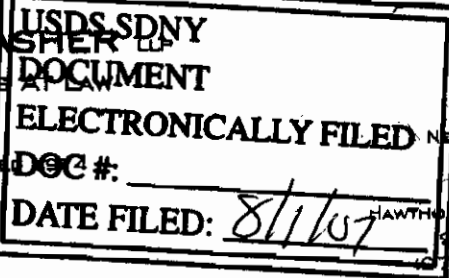


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MEMO ENDORSED

August 1, 2007

VIA FACSIMILE: 212-805-7949

Hon. P. Kevin Castel
United States District Judge
United States Courthouse
Southern District of New York
500 Pearl Street, Room 2260
New York, New York 10007

**Re: Norman D. Lifton Company, Inc. v. Mercier
Wood Flooring, Inc. and Bayard Sales Corp.
S.D.N.Y.07 Civ. 03134 (PKC)**

Dear Judge Castel:

We are counsel for plaintiff Norman D. Lifton Company in the above-referenced action. We are happy to advise the court that the parties have reached a settlement of the action in principle, and that defendants' counsel is in the process of getting their clients' comments on a settlement draft that counsel prepared.

In light of the impending settlement, all parties in the case jointly request a three-week adjournment of the pre-motion conference currently scheduled for August 2, 2007, until August 23, 2007. While the settlement is not terribly complicated, it will take time to finalize the settlement agreement, have it executed by parties here and in Canada, and to prepare and present a stipulation of dismissal to be "so ordered" by Your Honor. The August 23rd suggested adjournment date is more in the way of a control date, because it is everyone's expectation that the settlement agreement will be signed by that date. If the court would prefer to issue a standard 30 day dismissal order, that too would be acceptable to all parties.

Respectfully submitted,

Ira N. Glauber

ING/sef

cc: David G. Tobias, Esq. (via facsimile)
Stephen D. Straus, Esq. (via facsimile)

*Conferred
as agreed
for August 2
at
August 23, 2007
9:15 a.m.
SO ORDERED
[Signature]
USDJ
8-1-07*